



# frontier-free EUROPE

## The single market and economic and structural reform

by Mario Monti, Member of the European Commission

The conclusions of the European Council in Cardiff stress the need for economic reform to face the challenges of globalisation and promoting employment. The European Council has reaffirmed more clearly than ever the fundamental role the single market must play to promote competitiveness, growth and employment in the European Union. We have made very considerable progress towards a more efficient single market and better implemented rules, but more still needs to be done.

### Monitoring progress

The Cardiff Summit has taken forward the debate on setting up new monitoring instruments to assess structural reforms enabling markets to become more flexible and integrated. In parallel with macroeconomic coordination, it is also crucial to monitor progress at the microeconomic — or sectoral — level: the beneficial effect of the single currency will be spread through a web of markets, whose flexible and efficient performance will be a decisive element in its success.

The Commission intends to monitor progress towards an effective single market. Two interrelated issues will be assessed:

- the extent to which each particular market in the EU — goods, services, capital — is really 'single' or integrated;
- the extent to which each particular market in the Member States is really a 'market' — i.e. its degree of flexibility, responsiveness to price impulses or contribution to efficient allocation of resources.

To this end, the Commission, taking stock of the contributions presented by Member States by the year-end, will each year produce a report monitoring the process of economic and structural reform. The report will monitor economic integration both in the single market dimension — integration of the national economies into a single European economy — and in the sectoral dimension — integration of the national industries into Europe-wide economic sectors — with specific care devoted to key sectors such as financial services.

Proper attention will be given to existing barriers and impediments, and therefore the structure and development of taxation systems at both national and European level will be monitored regularly.

### Financial services and tax efficiency

Two aspects of this new agenda need to be stressed:

- the importance of streamlining the functioning of financial services markets — an essential step to developing all the benefits of the introduction of the euro. The Cardiff European Council invited the Commission to table a 'framework for action' to improve the single market in financial services, in particular examining the effectiveness of implementation of current legislation and identifying weaknesses which may require amending legislation. I intend to report back to the Council towards the end of the year detailing the Commission's opinion on the modernisation of financial market regulation. This strategic review will draw on a wide range of input from market operators, representative bodies, regulators and supervisors;
- the need to foster progress on improving tax efficiency and discouraging harmful tax competition. The Member States' commitment in this area has to be welcomed. The code of conduct group has started its work and the first concrete results, in the form of proposals on specific cases, are expected for the Ecofin Council on 1 December. I hope that similar progress will now be made on the proposal put forward by the Commission on the taxation of savings.

Efforts have to be made by everyone if we want to improve the single market's performance and to make a success of the euro. The Commission is working hard to coordinate better the Member States' fiscal policies. I am convinced that such coordination is helping the fundamental and lasting interests of the Union's economy.

## ■ More European supplementary pensions

At present, a European worker, whether an employee or self-employed, who moves from the EU country in which he has acquired the right to a supplementary pension to settle in another runs the risk of losing it. European rules, in fact, only cover national statutory pension schemes. In order to partly fill a gap which is being felt increasingly with the development of supplementary pension schemes and the movements of Europeans, the EU Council adopted on 29 June a directive which introduces three changes. Firstly, it will allow employees who change simultaneously both their employer and EU Member State to retain the right they have already acquired to a supplementary pension. Secondly, it will ensure that all those who are entitled to a supplementary pension in one Member State, whether employees or self-employed, will be able to draw it in any other Member State. Thirdly, employees who are posted by their employer in another EU country will remain with the supplementary pension scheme in their country of origin. The directive does not deal with two problems, however. It leaves untouched the discrimination in matters of taxation which affect workers who pay their contributions in a country other than the one in which they are employed. The directive also leaves unchanged the minimum period of affiliation, which is a condition of the right to a supplementary pension under many schemes, and which penalises those who move from one country to another along the way.

## ■ Cross-border protection of designs

Products which are protected by virtue of a national law on designs and models will be able to move more freely within the EU, thanks to a directive on which the European Parliament and EU Council were able to reach agreement on 25 June. The text harmonises the criteria which make it possible to decide whether a design or model can be protected and, if so, for how long and to what extent. It resolves the problem which had long prevented the directive from being adopted: that posed by spare parts for motor vehicles made by firms other than the manufacturer of the vehicle. In this case, Member States will be able either to retain their existing laws or to amend them in the direction of greater liberalisation, i.e. by improving the conditions under which independent firms can manufacture branded spare parts.

## ■ 'Clean' cars and fuels

With a view to reducing sharply the pollution generated by motor vehicles, the European Parliament and EU Council reached agreement on 29 June on a package of measures covering both motor vehicles and petrol and diesel fuels. This programme, called Auto-Oil, consists mainly of two directives, and was drawn up by the European Commission, together with the motor and oil industries, and environmental protection organisations. The first directive sets anti-pollution standards for fuels, petrol as well as diesel, to be applied from the years 2000 and 2005. It also provides for the progressive elimination of leaded petrol by the year 2000, and the introduction of fuels with a very low sulphur content from the same date.

The second directive sets new limit values for emissions of pollutants from passenger cars and light commercial vehicles, also to be applied from the years 2000 and 2005. It authorises national tax incentives to encourage the purchase of vehicles meeting these standards ahead of the dates provided for under the directive. The directive also makes the installation of on-board diagnostic systems, which monitor emission levels and warn the driver of any anomaly, mandatory from the year 2000 in the case of cars with petrol engines and from 2003 for diesel-powered cars. The directive also provides for checks aimed at verifying whether the various models of cars meet these new standards.

## ■ Standards and the information society

As from the end of June 1999, EU Member States will have to notify the European Commission of their plans for technical standards and regulations for on-line services, as is already the case for goods. A directive adopted by the EU Council on 29 June, after agreement with the European Parliament, imposes this obligation on Member States in order to ensure that, in a sector undergoing rapid change, national decisions do not fragment the single market once again. If, in the three months following its notification, a national project is opposed by the Commission or another Member State, it will be put on hold for four months. This period will be extended to 12 months if the Commission has already submitted a proposal on the subject, and to 18 months if the EU Council has already adopted a common position. The directive does not cover telecommunication services, which have their own rules. Nor does it cover those financial services which are already covered by European texts. In the case of the other financial services, it will be very difficult, if not impossible — as in the case of stock markets — to suspend a national decision.

## □ IN BRIEF

A **pregnant worker** cannot be dismissed because of an absence which has been prolonged because of pregnancy, even though her work contract provides for dismissal after an absence for a certain period of time. In handing down its ruling on 17 June, the European Court of Justice found in favour of a British employee, Mrs Mary Brown. It held that she had been a victim of sex discrimination. It should be pointed out that under a European directive adopted in 1994, after Mrs Brown's dismissal, it is illegal to dismiss an employee during her pregnancy and maternity leave.

By the end of 1999, more than 17 600 young people will have undergone **vocational training** in another EU country, thanks to the Leonardo da Vinci programme. The programme will, in addition, enable 2 200 trainers to take part in exchanges. The European Commission awarded on 19 June a total of ECU 29.7 million in grants (ECU 1 = GBP 0.66 or IEP 0.79). This professional training is of interest to young people undergoing initial training, on the one hand, and, on the other, to those who work or are jobless. This year, Cyprus, the Czech Republic, Hungary and Romania will take part in the programme for the first time.

Soon **the withdrawal or suspension of a driving licence** ordered in one EU Member State will have to be implemented in all of them. Representatives of the 15 Member States signed on 18 June a convention on driving disqualification which will require, except in a few cases, the country of residence of a motorist thus sanctioned to implement the withdrawal or suspension ordered elsewhere in the EU. The convention will come into force 90 days after its ratification by all Member States.

Hereafter **civil servants and persons treated as such**, who belong to special social security schemes, will be able to benefit from European regulations, like other employees, should they settle in another EU country. The EU Council adopted on 29 June a regulation extending to this category the benefit of the rules which allow a worker to be treated on a non-discriminatory basis as regards statutory pension rights.

# CONSULAR PROTECTION FOR CITIZENS OF THE EUROPEAN UNION

Article 8c of the Treaty establishing the European Community, as amended by the Treaty on European Union signed in Maastricht, states:

*'Every citizen of the Union shall, in the territory of a third country in which the Member State of which he is a national is not represented, be entitled to protection by the diplomatic or consular authorities of any Member State, on the same conditions as the nationals of that State ...'*

The governments of the European Union Member States decided on 19 December 1995 on measures to give effect to this right to consular protection.

### Proof of nationality

You should first produce your passport or identity card as proof that you are a national of one of the European Union Member States. In the event of loss or theft of those documents, other proof of nationality may be accepted.

If necessary, your documents will be verified through the foreign ministry of your country.

### What are the basic conditions you must satisfy to benefit from this consular protection?

- (1) You are a national of one of the Member States of the European Union <sup>(1)</sup>.
- (2) You are in distress abroad (in a country which is not part of the EU), and you require consular protection.

<sup>(1)</sup> The European Union Member States are Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom.

- (3) There is no accessible embassy or consulate of your own country.

If these conditions are fulfilled, then you may request consular protection from an embassy or consulate of any Member State, which will give you consular protection of the following type:

### Type of assistance that you may expect

- assistance in cases of death, serious accident or serious illness;
- assistance in cases of arrest or detention;
- assistance to victims of violent crime;
- if necessary, the relief and repatriation of distressed citizens of the Union.

The embassy or the consulate may, in so far as it is within its powers, also come to your assistance in other circumstances.

All assistance and all information or notification to your relatives, friends, doctor, and employer at home, will be made by the embassy or consulate which you have approached, through the foreign ministry of your own country.

**Assistance in case of death.** The embassy or the consulate will:

- immediately inform the foreign ministry of the deceased's country of origin, which should then inform and maintain contact with the next of kin;
- depending on local regulations, and with the consent of the next of kin, assist with the burial, cremation or repatriation of the body and help the deceased's next of kin to obtain a death certificate.

**Assistance in cases of serious accident or illness.** Once it has been contacted, the embassy or consulate will provide you with all possible assistance. In particular:

- you may receive a visit and advice on the provision of suitable medical treatment;
- if you need medical evacuation (except in cases of extreme urgency), the embassy or consulate will always ask the foreign ministry of your home country to take the necessary steps for your evacuation.

**Assistance in case of arrest or detention.** Once the embassy or consulate has been informed, it will:

- if you so wish, inform the foreign ministry of your home country which will inform your next of kin;

- ensure that the treatment offered to you is not worse than the treatment accorded to nationals of the country where you have been arrested or detained, and, in any case, does not fall below minimum accepted international standards. In the event that such standards are not respected, it will inform the foreign ministry of your country of origin and, in consultation with them, take action with the local authorities;
- if you so wish, visit you as soon as possible, following the receipt of news of your arrest, and thereafter according to local practice;
- ensure that you understand your rights under local law and how to apply for legal representation or for legal aid. You will also receive a list of local lawyers, including those who speak your own language whenever possible;
- it will, at your request, and at the discretion of the diplomatic or consular mission transmit your petition for pardon or early release to the appropriate officials and ensure that your petition is dealt with;
- act, if needed, as a channel of communication for any funds deposited by your relatives or friends in particular in case of bail or fines to be paid.

**Assistance to victims of violent crime.** You will receive all possible prompt and sympathetic assistance; particularly you will be given help to obtain medical assistance and legal advice. If you have not done so already, you will be informed on how to report the crime without delay to the appropriate police authorities, and if necessary you will be given help to make the report. If there is a local compensation scheme, you will be advised on how to make an application under that scheme.

**Relief and repatriation of distressed citizens of the union.** Assistance may be offered to you in particular in the following ways:

- if you are in distress, you may be given guidance on helping yourself;
- assistance may be given to you to enable you to obtain money from private sources;
- exceptionally, an advance of funds may be made against security;
- if no other funds are available, and all other sources of help have been exhausted, on the authority of the foreign ministry of your country of origin, you may be repatriated to your own country or to your nearest embassy or consulate by means of an advance from public funds against the signature of a document undertaking to repay your own government;
- if necessary, an EU emergency travel document will be given to you with the specific purpose of allowing you to return home;

- you may be given minimum subsistence to meet the cost of food and unavoidable expenses before and during the journey. The value of any such cash advance should be included in the document undertaking to repay your own government;
- only in exceptional circumstances, and with the express consent of your national authorities accepting responsibility for your repatriation, may excess baggage costs be paid on your behalf.

## Expenses incurred

In principle, a financial advance or help may not be given to you without the permission of the foreign ministry of your country.

Unless your own authorities expressly waive this requirement, you will have to sign a document undertaking to repay to your own government the full value of any financial advance or help and expenditure incurred plus, if applicable, a consular fee.

If you are repatriated at public expense and you are a national of Ireland, the Netherlands, Portugal or the United Kingdom, your passport will be retained and forwarded to the foreign ministry of your home country which will return the passport to you once it has been refunded.

## Examples of what you should not expect from a diplomatic or consular mission of another European Union Member State

- To replace the assistance already provided or being provided to you by the embassy or consulate of your own country of origin which is accessible to you in a country where your Member State of origin is represented.
- To pay your bills (hotel, restaurants, hospital, etc.), except for certain expenses and only in cases of extreme urgency and under certain conditions.
- Pay for aeroplane tickets to get you home or contact travel agencies, hotels or airlines to make bookings (except under the repatriation procedure, through your own authorities).
- Provide direct legal assistance and intervene in Court proceedings.
- Provide tourist information.

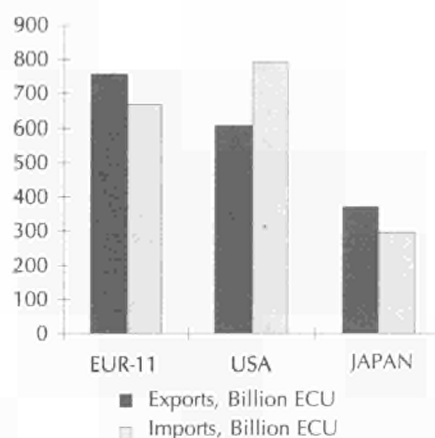


## Economic and monetary union A powerful economic entity

### External trade – 1997

**EUR-11<sup>(1)</sup> forms the world's greatest trading power. In 1997, the EUR-11 trade balance was strongly in surplus at nearly ECU 90 billion**

Their exports were 25 % larger than the USA, and twice the level of Japan, while imports were 15 % smaller than the USA.



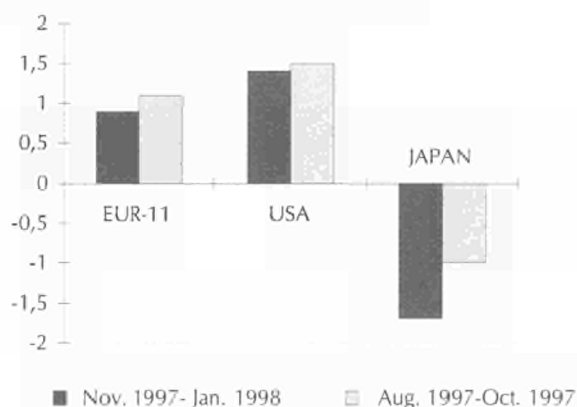
1997	EUR-11	USA	JAPAN
Exports, Bn ECU	757.1	607.0	370.1
Imports, Bn ECU	667.4	790.1	294.3
Trade balance, Bn ECU	89.7	183.1	75.8

<sup>(1)</sup> Countries participating in EMU (EUR-11): Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland.

**The industrial production trend of EUR-11 rose by 0.9% from November 1997 to January 1998 compared with the three months before**

Compared with the other two main economies, EUR-11 was considerably ahead of Japan (-1.7 %), but still below the USA (1.4 %). Looking at the growth of industrial producer prices between January 1998 and the same month of the previous year, EUR-11 showed an increase in inflation of 0.7 %, 0.9 % for Japan, whereas the USA has seen a 3.2 % fall.

### Production index for total industry, trend cycle Growth rates three months/three months before



	EUR-11	USA	JAPAN
November 1997- January 1998	0.9	1.4	-1.7
August 1997-October 1997	1.1	1.5	-1

### Producer prices for total industry Growth rates T/T-12

	EUR-11	USA	JAPAN
Jan. 1998/Jan. 1997 (%)	0.7	-3.2	0.9

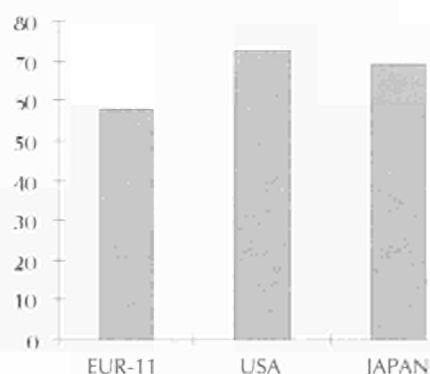
**In 1997, the employment rate (°) of persons aged 15 to 64 stood at 58 % in EUR-11, well below the corresponding rates in the USA and Japan where the rate was around 70 %**

The unemployment rate at the end of 1997 ranged from 20 % in Spain to less than 5 % in Austria, Luxembourg and the Netherlands. The EUR-11 average was 11.5 % compared with 4.7% in the USA and 3.5 % in Japan.

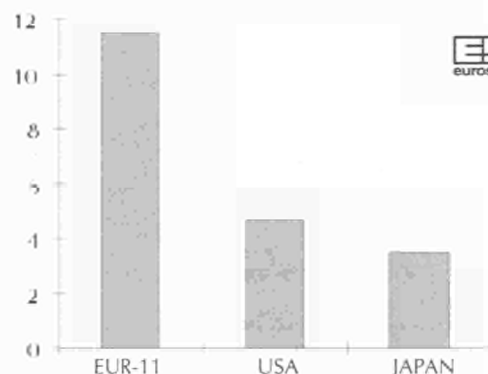
**In 1996, the average hourly labour costs were higher than those in the United States and Japan**

The average hourly labour cost in industry was ECU 22 for EUR-11, compared with ECU 17 in the USA and ECU 20 in Japan. Indirect costs (mainly social contributions) accounted for 27 % of total labour costs in EUR-11 compared with 22 % in the USA and 16 % in Japan. Taxes and social contributions amounted in EUR-11 to 42.4 % of GDP.

### Employment rate – 1997



### Unemployment rate – Dec. 1997

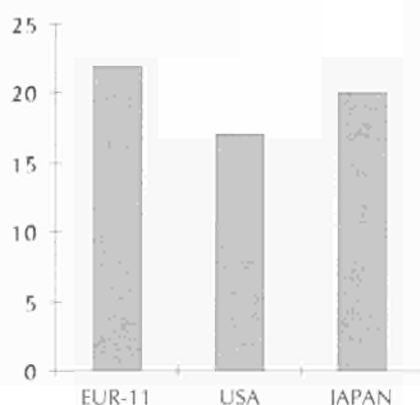


	EUR-11	USA	JAPAN
Employment rate, 1997	58.1	72.9	69.5
Unemployment rate, Dec. 1997	11.5	4.7	3.5

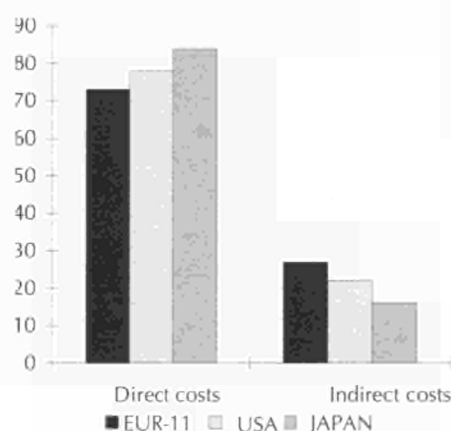
(°) The employment rate is the number of resident persons in employment expressed as a percentage of population of working age (15-64).

### Labour costs in industry –1996

#### Hourly costs (ECU)



#### Direct and indirect costs (%)



	EUR-11	USA	JAPAN
Hourly costs (ECU)	22	17	20
Direct costs (%)	73	78	84
Indirect costs (%)	27	22	16

**Apprenticeships** are acquiring a European dimension. Thanks to the Europass training scheme, adopted by the EU Council on 3 June, apprentices will be able to train in another EU country and, on returning to their own country, ensure that this vocational training or work experience counts towards getting a vocational training qualification or a professional certificate. They will have a Europass training document as proof of their experience. The EU budget will devote ECU 7.3 million to this scheme over the period 2000-04.

The **European Central Bank (ECB)**, entrusted with managing the euro, was officially inaugurated in Frankfurt on 30 June. On 5 June the EU Council adopted the statistical criteria to be used in the distribution of its capital of ECU 5 billion among the participating Member States — population and gross domestic product (GDP). A Council decision of 29 June will require EU countries taking part in the euro, as from 1 January 1999, to consult the ECB before adopting legislation concerning certain monetary, financial and banking sectors. EU countries not taking part in the euro, with the exception of the UK, will have to consult the ECB on all draft legislative provisions relating to monetary policy instruments.

The **European Police Office, Europol**, will soon be operational: as of 12 June, all EU Member States had ratified the Europol Convention, which will therefore come into force on 1 October. Some more specific texts, needed to enable the Office to become fully operational, still await adoption. Europol will facilitate the exchange of intelligence between the police forces of the 15 EU countries, in order to prevent and combat organised crime. Europol will be particularly active in the fields of drug trafficking, like the present European Drugs Unit, trade in human beings and money laundering when two or more Member States are affected.

**Biotechnological inventions** will enjoy more effective protection in the EU, thanks to common rules for patent law in the biotechnological field set out in a directive adopted on 16 June by the EU Council, following approval by the European Parliament. This text will facilitate the operation of the single market in this sector. It bans the patenting of human cloning, the manipulation of human genetic identity as well as the discovery of natural substances.

The rules to be followed as regards **employees' rights in the event of the transfer of an undertaking or business** have been clarified, following the updating of a 1977 directive by the EU Council on 29 June. The directive provides in particular for the right to information and consultation. The new text is designed to ensure that identical rules apply to identical situations in the Member States.

As from next 1 January, all EU Member States should recognise the **parking cards for people with disabilities** which correspond to a European model. These cards should be available throughout the EU by 1 January 2000. They are provided for under a recommendation adopted on 3 June by the EU Council, following approval by the European Parliament. Member States remain responsible for defining disability and drawing up the rules for issuing these cards.

In order to allow the **European Investment Bank (EIB)** to meet the twin challenges of the euro and the next enlargement of the EU, the EIB's Board of Governors decided on 5 June to raise its capital from ECU 62 billion to ECU 100 billion. The EIB, the EU's own bank, grants loans which facilitate European integration, particularly through regional development, the trans-European transport networks, energy, telecommunications and investments by small and medium-sized enterprises (SMEs). The EIB's Board of Governors is made up of the 15 EU Finance Ministers.

and medium-sized enterprises in particular — signed an agreement on 30 June which requires shops and other businesses to respect six rules of conduct. By 1 April at the latest the firms which decide, individually, to subscribe to these rules will have to provide their clients with information on the euro, show clearly whether or not they accept payment in euro and, if they do, refrain from charging extra. They will also have to display many of their prices in euro, as well as in their national currency, using for this purpose the rates and rules for conversion and rounding off set out in the EU regulation. Under the agreement, the dual-price display will have to cover the majority of products and services on sale by 1 July 2001. Firms which sign up to the agreement will receive a label, which includes a European logo. The management of the label will be decentralised and entrusted to independent bodies on which businesses and consumers are equally represented. Firms displaying the label will have to give their customers the address and telephone number of the local or regional body, which will thus be able to monitor the implementation of the agreement. This agreement constitutes a first at the European level, and covers a range of sectors, including distributive trades, tourism, crafts, hotels, restaurants, pubs and service stations.

## 'EUROPE DIRECT' TO KEEP YOU INFORMED

In order to inform both people and companies more effectively of their rights in the single market, and to have a better idea of their problems, the European Commission launched in Cardiff on 14 June a new service, Europe Direct, which will be fully operational next year. Europe Direct is based on such telephone information services as Citizens' Europe, or on-line services, such as the Europa server on the Internet (<http://europa.eu.int/citizens>). By dialling a Freephone number, people can ask questions and obtain practical handbooks and information sheets with specialised information on various aspects of the European area. The number to call in the UK is 0800 58 15 91 and in Ireland 1 800 55 31 88. In order to inform Europeans who wish to work in another EU Member State, the European employment services (EURES) network has an Internet site (<http://europa.eu.int/jobs/eures>). You can also call one of the Freephone numbers given above in order to ask for the address and telephone number of the Euroconsultant based in your area. For businesses, and SMEs in particular, there is another Internet site (<http://europa.eu.int/en/comm/dg23>). You can also call one of the following Freephone numbers in order to obtain the address of the more specialised Euro Info Centre closest to your business: 0800 783 65 53 in the UK and 1 800 55 32 62 in Ireland. Should you want information on the euro, call 08456 01 01 99 in the UK and 01 676 75 71 — 1890 66 10 10 in Ireland.

## ● Agreement on dual pricing

In order to ensure that the euro is introduced in a climate of confidence, the committee of consumers to the European Union and eight business associations — representing small

## ● The soft PVC toys in question

In order to protect the health of young children, pending the adoption of European measures, the European Commission recommended on 1 July that Member States exercise due care in connection with soft PVC toys which are meant to be put into the mouth. These toys contain phthalates, which are

potentially harmful in the long term if absorbed under the action of saliva. Should Member States conclude that the risk of absorption exceeds the level indicated on 16 June by the committee of European experts, they could take measures at the national level. Denmark and Spain, which notified the Commission in March and April of this year of the danger which these toys present, withdrew certain products from their markets. There is as yet no reliable and recognised method of measuring phthalate release from toys in the EU. A study conducted under the responsibility of the Dutch health authorities could lead to such a method becoming available by the end of August or early September, which would enable the Commission to propose a European regulation.

## ● Safeguarding non-cash payments

International criminal organisations are using increasingly well-developed techniques to steal and forge cheques, bank and credit cards and other non-cash means of payment. The national laws of EU Member States are inadequate to combat such criminal activity, as they present contradictions and shortcomings. To remedy this state of affairs, the European Commission proposed on 1 July an action plan that provides for both prevention and repression. To the latter end it wants all EU Member States to treat as a punishable criminal offence a series of activities, ranging from the theft or counterfeiting of cheques and cards to knowingly accepting them, in the case of shops. The use of stolen or counterfeit cards or checks is also targeted, as is the electronic manipulation of accounting documents or the possession of paper to be used for printing cheques. The Commission has also suggested various preventive measures, such as strengthening the security of payment systems, and a better sharing of responsibilities, so that the holders of the cards or cheques do not suffer as a result of the offences.

## ○ IN BRIEF

During the Cardiff European Council of 15 and 16 June, the EU Heads of State or Government endorsed the principle that the **environmental impact of all European draft legislation should be assessed**. To

this end, they asked the EU's Transport, Energy and Agriculture Ministers to integrate the environment systematically into their activities.

In order to adapt VAT more effectively to the single market, the European Commission proposed on 25 June that those liable to VAT be authorised to **deduct**, under certain conditions, **the tax paid in an EU country other than the one in which they are established**. The Commission proposed at the same time a compensation system for the debts which Member States owe each other, as well as a means of checking.

In principle, since 1976 EU Member States have had to help each other to recover taxes which have remained unpaid because the taxpayer, whether an individual or a firm, has moved to another EU country. But the system is not working. The European Commission therefore proposed on 2 July a fresh initiative aimed at ensuring that **all EU countries acknowledge the sums owed to the tax authorities in any one of them**.

The European Commission proposed on 17 June **guidelines for the taxation of electronic commerce**. The aim is to adapt existing taxes, rather than impose new ones, by treating electronic transmissions as services.

In its **sixth survey on State aid**, published on 1 July, the European Commission has disclosed that, in the years 1994 to 1996, national aid to manufacturing industries fell by 10 % as compared with the period 1992-94. Aid levels were highest in Germany, France and Italy.

## SEEN FROM ABROAD

### ► The Ukraine is aiming for membership

During the first meeting of the European Union-Ukraine Cooperation Council, held on 9 June, the Kiev Government hoped it could conclude a European agreement in the long term. This type of agreement links the EU to the 10 central and east European countries that are preparing to join the EU in the relatively near future. For the time being, relations between the EU and the Ukraine are governed by the partnership and cooperation agreement, in force since 1 March.

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